

Internal Revenue Service

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Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:INTL:B04

PLR-123275-08

Date:

July 15, 2008

Taxpayer =
Parent =
Entity 1 =
Entity 2 =
Date 1 =
Separate Unit 1 =
Separate Unit 2 =

Dear :

This replies to a letter in which Taxpayer requests an extension of time under Treas. Reg. §301.9100-3 to satisfy the dual consolidated loss triggering event rebuttal under Treas. Reg. §1.1503-2(g)(2)(iii)(B). The information submitted for consideration is substantially as set forth below.

The rulings contained in this letter are based upon information and representations submitted by Taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the request for ruling. Verification of the factual information, representations, and other data may be required as a part of the audit process.

Taxpayer is a domestic corporation that is a wholly-owned subsidiary of Parent, a foreign corporation. Taxpayer wholly owns Entity 1. Effective as of Date 1, Taxpayer sold all of its interest in Entity 1 to Entity 2. The sale of Entity 1 was a presumptive triggering event under Treas. Reg. §1.1503-2(g)(2)(iii)(A) with respect to dual consolidated losses previously incurred by Separate Unit 1 and Separate Unit 2. Taxpayer did not timely file documentation under Treas. Reg. §1.1503-2(g)(2)(iii)(B) to rebut the occurrence of a presumptive triggering event. Taxpayer did request relief before the failure to timely file was discovered by the Internal Revenue Service.

Pursuant to Notice 2006-13, which was effective when taxpayer's request for relief was submitted, Taxpayer chose to seek relief under §§301.9100-1 through 301.9100-3 rather than under Prop. Treas. Reg. §1.1503(d)-1(c)(1). See also Treas. Reg. §1.1503(d)-8(b)(3)(iii) (providing that taxpayers with requests for relief under §§301.9100-1 through 301.9100-3 pending as of March 19, 2007, may withdraw their request and seek relief under Treas. Reg. §1.1503(d)-1(c) rather than under §§301.9100-1 through 301.9100-3)).

Treas. Reg. § 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in § 301.9100-3 to make a regulatory election under all subtitles of the Internal Revenue Code except subtitles E, G, H, and I.

Treas. Reg. § 301.9100-1(b) defines a regulatory election as an election whose due date is prescribed by a regulation, revenue ruling, revenue procedure, notice, or announcement. An election includes an application for relief in respect of tax.

Treas. Reg. § 301.9100-3(a) provides that requests for relief subject to this section will be granted when the taxpayer provides evidence (including affidavits described in § 301.9100-3(e)) to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that the grant of relief will not prejudice the interests of the government.

Based on the facts and circumstances of this case, we conclude that the standards of §301.9100-3(a) have been satisfied. Accordingly, Taxpayer is granted an extension of time until 60 days from the date of this ruling letter to satisfy the requirements of Treas. Reg. §1.1503-2(g)(2)(iii)(B) with respect to the dual consolidated losses of Separate Unit 1 and Separate Unit 2.

The granting of an extension of time is not a determination that Taxpayer is otherwise eligible to satisfy the requirements of Treas. Reg. §1.1503-2(g)(2)(iii)(B). Treas. Reg. § 301.9100-1(a). No opinion is expressed as to the application of any other section of the Code or regulations to the facts presented.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely

Thomas D. Beem
Senior Technical Reviewer
Associate Chief Counsel
(International, Branch 4)